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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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COUNTRY East Germany **REPORT**

SUBJECT VEB Carl Zeiss, Jena: Planned Separation of Branch Plants **DATE DISTR.** 17 October 1955

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This is UNEVALUATED
Information

THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
THE APPRAISAL OF CONTENT IS TENTATIVE.
(FOR KEY SEE REVERSE)

1. In late May 1955, the East German Council of Ministers held a rather extensive discussion and critique of the production planning and development performance of VEB Carl Zeiss, Jena. This meeting was not favorable in tone or atmosphere to Zeiss Jena Chief Dr. Hugo Schwabe. However, it is understood that no more drastic action was taken than the entering in the record of a mild reprimand for Dr. Schwabe and the recommendation that various administrative and organizational changes take place as soon as possible.

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2. The Council of Ministers noted, for instance, that the percentage of production rejects had increased from 6.3% for the 1954 production year to 11% for those months of 1955 for which figures were available. It strongly recommended that VEB Carl Zeiss, Jena, find ways and means to increase its profitability (Rentabilität) by at least 20.3% over the corresponding 1954 figure, so as to obviate the constant necessity of borrowing large sums over and above the approved credit plan just to be able to keep going.

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3. As a follow-up to the recommendations enumerated in paragraph 1 above by the East German Council of Ministers, it is planned to make far-reaching organizational realignments concerning the various branch plants of VEB Carl Zeiss, Jena.

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4. a. As of 1 January 1956, the Dresden-Riesch branch plant is to be separated from VEB Carl Zeiss, Jena, and transferred to the administration and supervisory control of VEB Zeiss-Ikon

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- b. The Hilsfeld branch plant is to be separated from WNS Carl Zeiss, Jena as of 31 December 1955. It is not yet known what WNS this branch plant will be merged with.
- c. The Weimar branch plant is also to be separated from WNS Carl Zeiss, Jena, presumably by 31 December 1955 or 31 March 1956. It may become a separate WNS.²
5. So far, only Scharfeld branch plant where the 'WNS' camera is manufactured, is certain to remain within the WNS Carl Zeiss, Jena, complex.

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Comments:

1. Reports on the Dresden-Reick branch have been received from other sources.
2. A previous report from the same source included the 1955 production program for the Weimar branch plant.

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